

RULE PROPOSALS

HEALTH AND SENIOR SERVICES

SENIOR SERVICES AND HEALTH SYSTEMS BRANCH

HEALTH FACILITIES EVALUATION AND LICENSING DIVISION

**OFFICE OF CERTIFICATE OF NEED AND HEALTHCARE FACILITY
LICENSURE**

Proposed Amendment: N.J.A.C. 8:43G-5.22

Hospital Licensing Standards

Hospital Administration and General Hospital-Wide Policies

General Hospital Governing Body Training Requirements

Authorized By: Heather Howard, Commissioner, Department of Health and Senior Services (with the approval of the Health Care Administration Board).

Authority: N.J.S.A. 26:2H-12.34.

Calendar Reference: See Summary below for explanation of exception to the calendar requirement.

Proposal Number: PRN 2008-388.

Submit written comments by January 30, 2009 to:

Ruth Charbonneau
Director
Office of Legal and Regulatory Affairs
New Jersey Department of Health and Senior Services
PO Box 360
Trenton, NJ 08625-0358

The agency proposal follows:

Summary

On April 30, 2007, P.L. 2007, c. 74 (N.J.S.A. 26:2H-12.34) was enacted. N.J.S.A. 26:2H-12.34 required any person appointed after April 30, 2007, to serve as a member of a general hospital board of trustees to complete a trustee training program approved by the Commissioner of Health and Senior Services (Commissioner) that is designed to clarify the roles and duties of a hospital trustee, and that is at least one day in length (N.J.S.A. 26:2H-12.34a(1)). On June 16, 2008, the Department of Health and Senior Services (Department) proposed rulemaking to implement the requirements of N.J.S.A. 26:2H-12.34 (See 40 N.J.R. 3553(a)). The notice of adoption for this rulemaking was published on November 17, 2008 (See 40 N.J.R. 6611(a)).

On August 8, 2008, P.L. 2008, c. 57 was enacted into law. P.L. 2008, c. 57 amended N.J.S.A. 26:2H-12.34 to require that a person who was appointed as a member of a hospital board of trustees prior to April 30, 2007, shall complete the trustee training no later than six months after the effective date of P. L. 2008, c. 57. P.L. 2008, c. 57 becomes effective 180 days after enactment, on February 4, 2009.

This proposal would amend N.J.A.C. 8:43G-5.22 to implement the requirements of P.L. 2008, c. 57. The proposed amendment to N.J.A.C. 8:43G-5.22(a) would require all members of a hospital governing body to complete the trustee training program. The proposed amendment to N.J.A.C. 8:43G-5.22(e) would provide that any governing body member serving on the effective date of this section, who has not completed a trustee training program conducted by an approved training provider, shall complete the trustee training program by May 17, 2009. The proposed amendment to N.J.A.C. 8:43G-5.22(e) is intended to grandfather currently serving governing body members who have already completed a course or program conducted by an approved provider prior to May 17, 2009, so that they would not be required to re-take the trustee training program.

Because the Department has provided a 60-day comment period for this notice of proposal, this notice is excepted from the calendar requirement set forth at N.J.A.C. 1:30-3.3(a)5.

Social Impact

The proposed amendments are intended to implement the requirements of N.J.S.A. 26:2H-12.34 consistent with the intent of the Legislature. N.J.S.A. 26:2H-12.34a(3) requires any person appointed prior to April 30, 2007 to serve as a member of a general hospital board of trustees to complete a trustee training program approved by the Commissioner. Nearly all New Jersey hospitals are non-profit institutions with boards that govern and oversee the

hospitals. It is necessary for hospital boards to keep pace with best practices for governance, monitoring of quality and efficiency, and financial oversight. Currently, there are 76 general hospitals in the State that would be affected by these amendments. The Department believes that the social impact of requiring general hospital trustees to participate in continuing education would be positive because trustees would be able to provide better and more well-informed governance and financial oversight of their hospitals. Therefore, the Department expects a positive reaction to these amendments from hospitals and the general public.

Economic Impact

The proposed amendments would have an economic impact upon the 76 general hospitals in New Jersey because these hospitals would have to ensure that all current governing body members complete a training program required by the Act. Based upon a review of the costs of existing programs that provide training in hospital management, the Department estimates that the cost of providing a one-day or seven-hour training program for governing body members would be approximately \$ 150.00 to \$ 450.00 per member. Notwithstanding that hospitals would incur expenses in ensuring that their governing body members complete a training program, the Department believes that the overall economic impact would be positive because the continuing education requirements would ensure that governing body members receive the training necessary to provide better governance and management oversight for their hospitals. The Department believes that the proposed amendments would have a positive impact upon the public because the training requirements would ensure that trustees have the knowledge and expertise necessary to keep their hospitals financially sound and able to provide high quality healthcare services. The proposed amendments would not have any economic impact upon the Department, other agencies or existing funding sources.

Federal Standards Statement

The proposed amendments would not impose standards on hospitals in New Jersey that exceed those contained in Federal law or regulation. Since there is currently no Federal regulation governing training requirements for hospital trustees, as described above, a Federal standards analysis is not necessary for this proposal.

Jobs Impact Statement

The Department does not expect that the proposed amendments would significantly increase or decrease the number of jobs available in New Jersey,

although the proposed amendments may increase the need for training providers.

Agriculture Industry Impact

The proposed amendments would have no impact on the agriculture industry in New Jersey.

Regulatory Flexibility Statement

The proposed amendments would impose requirements only on general hospitals licensed in New Jersey, which are not considered to be "small businesses" within the meaning of the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., as each employs more than 100 people full-time. Therefore, the proposed amendments would impose no compliance, reporting or recordkeeping requirements on small businesses, and no regulatory flexibility analysis is necessary.

Smart Growth Impact

The proposed amendments would have no impact upon the achievement of smart growth and implementation of the State Development and Redevelopment Plan.

Housing Affordability Impact

The proposed amendments will have an insignificant impact on affordable housing in New Jersey and there is an extreme unlikelihood that the rule would evoke a change in the average costs associated with housing because the proposed amendments concern training for members of a hospital governing body.

Smart Growth Development Impact

The proposed amendments will have an insignificant impact on smart growth and there is an extreme unlikelihood that the rule would evoke a change in housing production in Planning Areas 1 or 2 or within designated centers under the State Development and Redevelopment Plan in New Jersey because the proposed amendments concern training for members of a hospital governing body.

Full text of the proposal follows (deletions indicated in brackets [thus]):

SUBCHAPTER 5. HOSPITAL ADMINISTRATION AND GENERAL HOSPITAL-
WIDE POLICIES

8:43G-5.22 General hospital governing body training

(a) In addition to any general orientation, a general hospital shall ensure that all members of the hospital's governing body [appointed after April 30, 2007,] complete a trustee training program as set forth in (b) below conducted by an approved training provider within six months of the member's appointment.

(b)-(d) (No change.)

(e) Any governing board member [appointed on or after April 30, 2007,] who has not completed a trustee training program conducted by an approved training provider, shall complete the trustee training program by May 17, 2009.